

INCOMING TELEGRAM

Department of State

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Action

Control: 10426  
Rec'd: July 18, 1957  
1:29 am

Info

FROM: Paris

Info

MR

TO: Secretary of State

NO

NO: POLTO 171, July 17, 8 pm

NO

NO

NO

NO

NO

NO

NO

NO

SENT DEPARTMENT POLTO 171, REPEATED INFORMATION LONDON POLTO 38, TOKYO POLTO 7

Reference: TOPOL 90

EXCON

Following are USRO views on points raised REFTEL:

1. NAC could handle such question even though Far Eastern aspects involved. NATO already has prepared report on Soviet economic trends which included some treatment of Sino bloc.
2. Apart from Japanese reaction (see item 6 below), questionable whether other PCs would be in favor, particularly if they suspected it as US maneuver to achieve over-all tightening of controls.
3. Believe current PC positions would be carried over in NAC review. Do not see how strategic considerations could be effectively applied in NAC due to fact that only official source of military opinion is Standing Group where positions would have to be cleared with French and UK. If matter referred to NAC, would probably be considered by special group set up for this purpose under economic framework of NATO. Presumably those assigned to this task would be COCOM representatives assisted by experts from capitals as at present, inasmuch as NATO delegations have no expertise in this field. Therefore difficult to see how NATO review could accentuate strategic and minimize commercial considerations.
4. Believe this point covered adequately by London's T-426. We concur except for some reservation on first sentence.
5. While end-product of REFTEL proposal might not come up to Washington expectations, we do not think NATO would allow such review to become truly divisive within that body.
6. Concur in Tokyo's estimate of Japanese reaction (Tokyo's T-117 July 12). On previous occasion (Tokyo's T-841 October 1, 1955)

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-2- POLTO 171, July 17, 8 pm, from Paris.

1, 1955) Japanese Foreign Office official expressed opposition to NATO/CG convention as being "politically harmful" in Japan. If NAC review is to deal with highly sensitive data, could also be security problem vis-a-vis Japan.

7. Following additional comments:

- A) If substantial change in attitude is to be achieved, we believe it can only be done by new and effective intelligence supplied by us and other PCs. If this material is available, believe logical place to present it is CG/COCOM/CHINCOM.
- B) Exercise probably would get relatively low priority in NATO, with some months before report completed.
- C) Before advancing such proposal, probably desirable to have prior consultation with other key PCs (including Japan). Fourth and fifth sentences London's T-426 also pertinent this connection.
- D) Conceivable that point C REFTEL proposal may be seized upon by some NATO countries as partial justification for further defense cuts.
- E) Even if Japan and others agree to REFTEL proposal, USRO has considerable misgivings that NAC review would meet our objectives, assuming them to be tightened controls and more rigid policies on part other PCs.

PERKINS

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